

1 QUINN EMANUEL URQUHART & SULLIVAN, LLP

Amar L. Thakur (Bar No. 194025)

2 amarthakur@quinnemanuel.com

Bruce R. Zisser (Bar No. 180607)

3 brucezisser@quinnemanuel.com

David Grable (Bar. No. 237765)

4 davegrable@quinnemanuel.com

865 South Figueroa Street, 10th Floor

5 Los Angeles, California 90017-2543

Telephone: (213) 443-3000

6 Facsimile: (213) 443-3100

7 Joshua L. Sohn (Bar No. 250105)

joshuasohn@quinnemanuel.com

8 777 6<sup>th</sup> Street NW, 11<sup>th</sup> Floor

Washington, D.C. 20001

9 Telephone: (202) 538-8000

Facsimile: (202) 538-8100

10 Attorneys for Defendants

11 NOVATEL WIRELESS, INC., VERIZON

12 COMMUNICATIONS, INC., AND

13 CELLCO PARTNERSHIP D/B/A

VERIZON WIRELESS

14 UNITED STATES DISTRICT COURT

15 SOUTHERN DISTRICT OF CALIFORNIA

16 CARUCEL INVESTMENTS, L.P., a

17 Delaware limited partnership,

18 Plaintiff,

19 v.

20 NOVATEL WIRELESS, INC., a

21 Delaware corporation, VERIZON

22 COMMUNICATIONS, INC., a Delaware

23 corporation, CELLCO PARTNERSHIP

24 D/B/A VERIZON WIRELESS, a

Delaware general partnership,

25 Defendants.

CASE NO. 3:16-cv-00118-H-KSC

**DEFENDANTS' MEMORANDUM  
OF POINTS AND AUTHORITIES  
IN SUPPORT OF ITS MOTION  
TO RE-TAX COSTS**

Hon. Marilyn L. Huff

Date: October 10, 2017

Time: 10:30 a.m.

Courtroom: 15A

Judge: Hon. Marilyn L. Huff

1 **I. INTRODUCTION**

2 On September 1, 2017, the Clerk entered an Order Taxing Costs (“Order”) in  
3 favor of Defendants in this matter. (Dkt. No. 363). By this motion to Re-Tax Costs  
4 Defendants seek the Court’s review of only two items addressed in the Order. One  
5 challenges the Clerk’s denial of Defendants’ costs associated with electronic  
6 document production in this case; and the other seeks to correct an inadvertent  
7 omission in Defendants’ submission of evidence which resulted in the Clerk  
8 denying costs associated with the preparation of graphics for trial.

9 **II. PROCEDURAL BACKGROUND**

10 On April 10, 2017, the Court entered judgment in favor of defendants Novatel  
11 Wireless, Inc., Verizon Communications, Inc. and Cellco Partnership d/b/a Verizon  
12 Wireless (collectively “Defendants”) and against plaintiff Carucel Investments, LP  
13 (“Carucel”) upholding a jury verdict of non-infringement of U.S. Patent Nos.  
14 7,221,904; 7,848,701; 7,979,023; 8,718,543. (Dkt. No. 336). Pursuant to Fed. R.  
15 Civ. P. 54(d)(1) and Local Rule 54.1, Defendants timely submitted a Bill of Costs  
16 together with a Motion to Tax Costs seeking recovery for those costs properly  
17 taxable. (Dkt. No. 345). Plaintiff filed a response to that motion (Dkt. No. 349) and  
18 Defendants filed a reply. (Dkt. No. 350).

19 On July 12, 2017 the parties participated in a telephonic hearing with  
20 Theodore E. Lewis, Chief Deputy of Operations, United States District Court  
21 Southern District of California regarding Defendants’ Bill of costs. At the hearing  
22 Mr. Lewis tentatively denied Novatel’s request for \$11,934, as fees for  
23 exemplification and the cost of making copies related to the production of  
24 documents in this case<sup>1</sup> pending submission of supporting invoices. Mr. Lewis also  
25

26  
27 <sup>1</sup> As described in Paragraph 8(a) of the April 24, 2017 Declaration of Bruce R.  
28 Zisser in Support of Defendants’ Bill of Costs (Dkt. No. 345-3).

1 tentatively allowed Novatel's Request for \$21,425, for preparation of charts,  
 2 diagrams and other visual aids used as exhibits and demonstratives as described in  
 3 Paragraph 9 of the original Zisser Declaration, but requested supporting invoices.

4 On July 14, 2017, Defendants submitted the requested supplemental evidence  
 5 (Dkt. No. 359), which included detailed internal time entry records related to both  
 6 the production of documents and the preparation of graphics material for trial,  
 7 (Supplemental Zisser Declaration (Dkt. No. 359-1), Exhibit G), and Quinn  
 8 Emanuel's invoices to Novatel reflecting these charges. (*Id.* at Exhibit H). Exhibit  
 9 H included relevant invoices through April 2017, but should have also included the  
 10 May 2017 invoice.

11 In the Order taxing costs the Clerk denied the request for \$11,934.00 for costs  
 12 related to making copies for document production stating that the cost evidence  
 13 submitted "still do not meet the requirements of LR 54.1.6.c and the itemization  
 14 provided is not specific enough to meet the standard for awarding these costs  
 15 (PageID.13360)." (Order at 3). With respect to Defendants' request for \$21,425 in  
 16 costs related to the preparation of graphics for trial, the Clerk agreed that the costs of  
 17 preparing such graphics as reflected by the time billed by Quinn Emanuel's in-house  
 18 graphic artist were taxable, but allowed only those costs reflected on Quinn  
 19 Emanuel invoices. (Order at 3-4). The bulk of those costs were incurred just before  
 20 and during trial in April 2017, so appear on Quinn Emanuel's May 2017 invoice to  
 21 Novatel, which was inadvertently omitted from Defendants' submission.

### 22 **III. ARGUMENT**

#### 23 **A. Defendants' Evidence Supports an Award of Costs for Electronic** 24 **Copies Made for Document Production**

25 The costs associated with the electronic production of documents that were  
 26 requested under Fed. R. Civ. P. 33 and 34 are taxable under Local Rule  
 27 54.1(b)(6)(a). As described at Paragraph 8(a) of the Zisser Declaration filed in  
 28 support of Defendants' Bill of Costs (Dkt. No. 345-3 at 3), Defendants claim of

1 \$11,934.00 is the amount billed to Novatel for the costs incurred by counsel's in-  
 2 house litigation support department to prepare requested documents for electronic  
 3 production in the format agreed to by the parties. These costs are taxable. *See In re*  
 4 *Ricoh Co., Ltd. Patent Litig.*, 661 F.3d 1361, 1365 (Fed. Cir. 2011) (“[T]he costs of  
 5 producing a document electronically can be recoverable under section 1920(4).”); *In*  
 6 *re Online DVD-Rental Antitrust Litigation*, 779 F.3d 914, 932 (9<sup>th</sup> Cir. 2015) (“costs  
 7 attributable to optical character recognition, converting documents to TIFF, and  
 8 ‘endorsing’ activities . . . are recoverable on the record before us.”); *Farstone*  
 9 *Tech., Inc. v. Apple Inc.*, No. 813-CV-1537-ODWJEMX, 2016 WL 5799290, at \*5  
 10 (C.D. Cal. Sept. 30, 2016) (granting defendant’s motion for costs, including  
 11 electronic document production costs); *Jardin v. DATAlegro, Inc.*, No. 08-CV-  
 12 1462-IEG WVG, 2011 WL 4835742, at \*9 (S.D. Cal. Oct. 12, 2011) (denying  
 13 plaintiff’s motion to re-tax costs awarded to defendant for e-discovery, e-discovery  
 14 management, and file conversion).

15 Because the documents were, at all times, electronic, the costs associated with  
 16 preparing them for production are not calculated on a “per page” basis as  
 17 contemplated by LR 54.1(b)(6)(c) but rather on a per hour basis based on the time  
 18 spent by litigation support personnel. Defendants’ provided the detailed time entries  
 19 for the litigation support personnel who performed the taxable activities. *See* Zisser  
 20 Supplemental Declaration (Dkt. No. 359-1), Exhibit G (PageID 13360-61).  
 21 Defendants then provided the actual invoices from Quinn Emanuel to Novatel where  
 22 these time entries appear. *Id.* at Exhibit H (PageID 13364-13391). No additional  
 23 information is necessary or available to evidence these taxable costs incurred by  
 24 defendants.

25 **B. Defendants Inadvertently Omitted an Invoice Reflecting the Costs**  
 26 **for Preparing Graphics for Trial**

27 Defendants requested \$21,425 for the cost of services of its in-house graphic  
 28 designer to prepare the graphics and other visual aids used at trial. The clerk

properly found these costs to be taxable. *See Lucent v. Microsoft*, Case No. 02CV2060-B(CAB), Doc. No. 1935 (Awarding Lucent over \$290,000 for the preparation of visual aids submitted to the Court); *Kibbee v. City of Portland*, No. CV-98-675-ST, 2000 WL 1643535, at \*5-6 (D. Or. Oct. 12, 2000) (“labor charges for illustrations, design, consultation, and for production of the technical illustrations submitted to the court” are properly taxable); *In re Melridge Securities Litigation*, 154 F.R.D. 260,261 (D. Or. 1994) (taxing costs in the amount of \$302,058.03, including the costs of demonstrative exhibits).

Per the Clerk’s request at the hearing, Defendants submitted evidence to support its claim, starting with detailed internal time entries for Quinn Emanuel’s in-house graphic artist, Dave Scholz. These time entries are reflected in the Zisser Supplemental Declaration (Dkt. No. 359-1), Exhibit G (PageID 13362), reproduced below:

Sort Name	Work Date	Work Hrs	Matter Name	Client Name	Narrative	Rate	Billed
<b>Graphics Time Entries</b>							
Scholz, Dave	3/21/2017	0.80	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	edit initial template for creating slides for use in trial	\$250	\$200.00
Scholz, Dave	3/27/2017	2.00	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	Create demonstratives for use in trial	\$250	\$500.00
Scholz, Dave	3/28/2017	1.40	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	edit and revise kenney direct slides for trial	\$250	\$350.00
Scholz, Dave	3/30/2017	4.30	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	Create slides for use at trial, direct exam of Kenney, animations of “hand offs”	\$250	\$1,075.00
Scholz, Dave	3/31/2017	5.00	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	Edit opening demonstrative slides; edit direct exam slides for Kenney	\$250	\$1,250.00
Scholz, Dave	4/1/2017	4.50	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	Edit and revise demonstratives for use in trial	\$250	\$1,125.00
Scholz, Dave	4/2/2017	12.80	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	Create and edit demonstratives for use in exam and trial	\$250	\$3,200.00
Scholz, Dave	4/3/2017	14.00	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	Create and edit demonstratives for use in exam and trial	\$250	\$3,500.00
Scholz, Dave	4/4/2017	13.00	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	create and edit slides for use in witness exam and closing	\$250	\$3,250.00
Scholz, Dave	4/5/2017	14.90	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	Create and edit slides for use in direct exam of Kenney and for closing	\$250	\$3,725.00
Scholz, Dave	4/6/2017	13.00	Carucel Investments, L.P. v. Novatel Wireless, Inc., et al.	Novatel Wireless, Inc.	create and edit slides and demonstratives for closing arguments	\$250	\$3,250.00
<b>Total for Graphics</b>							<b>\$21,425.00</b>

April 2017  
Invoice

May 2017  
Invoice

The Clerk allowed the \$3,375 billed in March 2017 and included on the April 2017 invoice, but denied the \$18,050 billed in April 2017, because those charges did not appear on an invoice. Those charges do, however, appear on Quinn Emanuel’s May 2017 invoice to Novatel, which was prepared for submission with Defendants’ supplemental filing on July 14, 2017, but was inadvertently omitted from the final document. That invoice is being submitted with this motion. *See Declaration Bruce R. Zisser ISO Motion to Re-Tax Costs*, ¶¶ 5-6 and Exhibit I.

1 Had the May 2017 been included in the submitted evidence as intended, the  
2 Clerk would have allowed these costs as they are taxable and the evidence would  
3 have been sufficient.

4 **IV. CONCLUSION**

5 Defendants respectfully request that, in addition to the costs allowed by the  
6 Clerk in the Order to Tax Costs, the Court allow \$11,934 for costs associated with  
7 electronic document production and \$18,050 for costs associated with preparing  
8 graphics for trial, for a total award of \$72,136.20.

9  
10 Dated: September 8, 2017

QUINN EMANUEL URQUHART  
& SULLIVAN, LLP

11  
12 Bv: /s/ Bruce R. Zisser

Bruce R. Zisser (Bar No. 180607)  
Email: brucezisser@quinnemanuel.com

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14 *Attorneys for Defendants Novatel*  
15 *Wireless, Inc., Verizon Communications,*  
16 *Inc. and Cellco Partnership d/b/a Verizon*  
17 *Wireless*  
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